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SUBJECT: NOVA SCOTIA: SUBSIDIES AND POLITICS ON DISPLAY IN HIGH-TECH ANNOUNCEMENT

REF: HALIFAX 25

1. Subsidies and politics took center stage at the November 25 announcement that Research in Motion (RIM) would establish a technical support center in the Halifax area, creating 300 jobs initially and more than 1,200 over five years. RIM, the Waterloo, Ontario-based maker of the BlackBerry, had reportedly focused on four possible locations for the new center, and picked Halifax on the basis of costs, an educated workforce and provincial support estimated to be at least C\$19 million. Provincial funding includes C\$5 million for recruitment and training; the balance will come in the form of rebated payroll taxes based on the number of jobs created.

2. With a federal election campaign looming, the initial plan to have Nova Scotia Premier John Hamm announce the RIM decision at his November 30 "State of the Province" speech was hijacked by federal Cabinet Ministers Geoff Regan and Scott Brison who have been busy in the province and region dispensing federal funding for various programs. Although there is no announced federal component to RIM's recent decision, Ottawa has long supported RIM and the company was happy to go along with the change in plan regarding the announcement. The company's CEO was effusive in his praise of the Premier's role in bringing RIM to Halifax, but unfortunately Hamm was on the other side of the continent at the First Ministers' meeting, unable to attend the event.

3. The President of Dalhousie University, who was part of the provincial team that visited RIM to sell Halifax, told CG that workforce issues were key for the company. Instead of competing with Toronto and elsewhere for bright computer science and engineering graduates, RIM as an important regional employer will be in a position to draw in graduates from across Atlantic Canada who might otherwise have left the region in search of work. Furthermore, the company will likely contribute to Nova Scotia's immigration strategy (reftel) by providing job opportunities to immigrants with science and technology backgrounds.

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